

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
SOUTHERN DIVISION

IN RE: WAREHOUSE 86, LLC  
DEBTOR

CASE NO. 08-03423 ee  
CHAPTER 7

**FIRST AND FINAL APPLICATION FOR COMPENSATION FOR  
ATTORNEYS FOR THE TRUSTEE**

Lentz & Little, P.A. (“Applicant”), attorneys for the Trustee submits this First and Final Application for Compensation for Attorneys for the Trustee pursuant to Rule 2016(a) of the *Federal Rules of Bankruptcy Procedure* and states the following:

**A. Background**

1. Warehouse 86, LLC (“Debtor”) filed for relief under Chapter 11 of the *Bankruptcy Code* on November 4, 2008. On December 3, 2010, the case was converted to a Chapter 7 proceeding. Kimberly R. Lentz is the Chapter 7 trustee (“Trustee”) of the bankruptcy estate of the Debtor.
2. This Court entered an Order authorizing the Trustee to employ Applicant as attorney for the Trustee on March 14, 2011.
3. Applicant’s hourly rate for the period covered does not exceed \$250.00, which rate has been previously approved by this Court and other courts. Applicant believes that the fees charged are customary in the Southern District of Mississippi for bankruptcy work and said fees are fixed and not contingent.
4. This is the first and final application for compensation for attorneys for the trustee.
5. More than 120 days have passed since the order for relief was entered and, therefore, leave of court to file this Application is not necessary.
6. The time period of the services covered by this Application is November 2, 2010

through September 19, 2011. A copy of the Statement for services with time itemized is attached hereto as Exhibit "A."

7. Applicant requests that this Court approve fees and expenses from November 2, 2010 through September 19, 2011 in the total amount of \$9,104.77 and to authorize the trustee to pay the fees and expenses approved from the unencumbered property of the bankruptcy estate.

#### **B. Case Status**

1. The financial condition of this Chapter 7 case is as follows:
  - a. The cash on deposit as of September 7, 2011 is \$634,574.85.
  - b. The only unpaid administrative expenses are the statutory trustee's fee and expenses and the court costs.
  - c. All funds on deposit are unencumbered.
  - d. Operating profit or loss is not applicable in this case.
2. Form 2 attached hereto as Exhibit "B" contains a summary of the case administration and includes a detailed listing of all monies received and disbursed in the case.
3. This is a Chapter 7 case and, therefore, no plan disclosure statement or quarterly fees are applicable.
4. Applicant will supplement this Application should the status of the case change prior to the hearing on same.

#### **C. Project Summary**

The work that the Applicant performed as attorney for the trustee is fully set forth on Exhibit "A."

#### **D. Evaluation Standards**

1. The compensation, fee and allowance herein claimed belongs wholly to the Applicant

and will not be divided, shared or pooled, directly or indirectly, with any other person or firm.

2. Applicant does not believe it was precluded from taking other employment as a result of the employment herein.

3. Applicant's attorneys are experienced in the field of bankruptcy law, as well as in the general practice of law. Applicant's attorneys are members in good standing of the Mississippi Bar Association and are admitted to practice in the United States District Court for the Southern District of Mississippi.

**E. Certification**

Applicant hereby certifies that the Trustee has received and reviewed this First and Final Application for Compensation for Attorney for the Trustee and has approved same. The Trustee's Certification is attached hereto as Exhibit "C."

WHEREFORE, Lentz & Little, P.A. respectfully requests that this Court approve the First and Final Application for Compensation for Attorney for the Trustee, and approve the payment of fees and expenses in the amount of \$9,104.77 from unencumbered and unrestricted funds of the bankruptcy estate and requests any additional relief that may be just.

Respectfully submitted,  
LENTZ & LITTLE, P.A.

By: /s/ Kimberly R. Lentz  
KIMBERLY R. LENTZ (BAR NO. 8986)

OF COUNSEL:

LENTZ & LITTLE, PA  
Post Office Box 927  
Gulfport, Mississippi 39502  
Telephone (228) 867-6050  
Facsimile (228) 867-6077

CERTIFICATE OF SERVICE

I, KIMBERLY R. LENTZ, do hereby certify that the following have been served electronically via ECF with a copy of the foregoing document:

United States Trustee : USTPRegion05.JA.ECF@usdoj.gov

Christopher R. Maddux, Attorney for Debtor: chris.maddux@butlersnow.com

John A. Crawford, Jr., Attorney for Debtor: jack.crawford@butlersnow.com

Stephen W. Rosenblatt, Attorney for Debtor: Steve.Rosenblatt@butlersnow.com

I further certify that I have mailed a true and correct copy of said document to:

Warehouse 86, LLC.  
Post Office Box 16692  
Jackson, MS 39236

This the 27<sup>th</sup> day of September, 2011.

/s/ Kimberly R. Lentz  
KIMBERLY R. LENTZ

**LENTZ & LITTLE, PA**  
 Attorneys at Law  
 Post Office Box 927  
 Gulfport, Mississippi 39502  
 (228) 867-6050

September 7, 2011

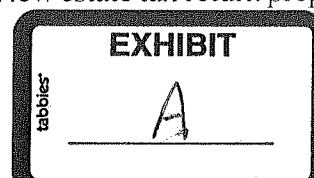
**STATEMENT OF ATTORNEY'S FEES**

Bankruptcy Estate of Warehouse 86, LLC, Case No.08-03423 ee  
*United States Bankruptcy Court for the Southern District of Mississippi*

For Legal Services Rendered from November 2, 2010 through September 7, 2011

**ATTORNEY TIME AND DESCRIPTION OF SERVICES**

|          |     |      |   |
|----------|-----|------|---|
| 11/02/10 | WJL | 0.30 | Conference call with Marcus Wilson and Trustee.   |
| 11/05/10 | KRL | 1.20 | Receive and review proposed forms of Motion and Order re: settlement sheet in connection with Radio Shack; Receive and review email from Stephen Rosenblatt re: same. |
| 11/08/10 | WJL | 0.20 | Conference with Trustee.  |
| 11/08/10 | KRL | 0.90 | Meeting with Stephen Rosenblatt and Ernie Strahan concerning outstanding Chapter 11 issues.   |
| 11/10/10 | WJL | 0.20 | Conference with Trustee.  |
| 01/24/11 | KRL | 0.80 | Prepare Application to Employ Attorney Kimberly R. Lentz, Declaration and Order re same;  |
| 02/01/11 | KRL | 0.80 | Prepare Application to Employ Accountant for the Trustee, Declaration and Order re same; Upload to Court;   |
| 02/23/11 | WJL | 0.80 | Prepare Application to Employ Attorney William J. Little, Declaration and Order re same; Upload to Court;   |
| 03/02/11 | WJL | 0.20 | Receipt of and calendar Notice of Hearing. Conference with Trustee.   |
| 03/04/11 | KRL | 0.70 | Prepare Application for Compensation for Accountant for the Trustee, Notice and Order re: same; Upload to Court;  |
| 05/18/11 | KRL | 0.90 | Receive and review estate tax return prepared by Accountant;  |



|          |     |      |  |
|----------|-----|------|--|
| 05/23/11 | KRL | 4.20 | Review bank records and financial documents for potential avoidable transfers.                     |
| 05/24/11 | KRL | 4.40 | Review bank records and financial documents for potential avoidable transfers.                     |
| 06/27/11 | WJL | 0.30 | Conference with Trustee Re: claims analysis and objections.  |
| 06/28/11 | KRL | 4.10 | Review claims analysis, monthly operating reports and all relevant docket entries.                 |
| 07/11/11 | WJL | 1.40 | Review and Revise four Objection to claims. Conference with Trustee re: same.                      |
| 07/12/11 | WJL | 0.40 | Receipt of and review memorandum re: claim of Keith Mack.  |
| 07/13/11 | KRL | 2.60 | Prepare five (5) Objection to Claims and Order re: same; Upload to Court.                          |
| 07/15/11 | KRL | 1.10 | Prepare five (5) Notices re: Objection to Claims; Upload to Court.                                 |
| 07/21/11 | WJL | 0.20 | Telephone conference with James McCullough, attorney for Overstock.com.                            |
| 07/26/11 | KRL | 0.20 | Receipt and review of Response to Objection to Claim filed by SOS Staffing.                        |
| 07/29/11 | KRL | 0.20 | Receipt and review of Response to Objection to Claim filed by HEPACO.                              |
| 08/10/11 | KRL | 0.20 | Receipt and review of Response to Objection to Claim filed by Overstock.com.                       |
| 08/11/11 | KRL | 0.70 | Receive and review amended federal income tax returns.   |
| 08/11/11 | WJL | 0.60 | Preparation of Order resolving objection to Overstock.com claim, email same to James McCullough.   |
| 08/12/11 | WJL | 0.30 | Receipt of order from James McCullough re: Overstock.com. Email same to Judge Ellington for entry. |
| 08/22/11 | WJL | 0.50 | Receipt and review of Response to Objection to Claim of Mack. Conference with Trustee re: same.    |

|          |     |      |   |
|----------|-----|------|---|
| 08/23/11 | WJL | 1.20 | Receipt of Orders on claims, objections and hearing set; Telephone conference with Jack Crawford. Review Mack State Suit and Proofs of Claims.            |
| 09/07/11 | KRL | 1.50 | Prepare Application for Compensation for Attorney for the Trustee, Notice and Order re: same.   |
| 9/12/11  | WJL | 1.20 | Review Mack Proof of Claims. Telephone conference with Mack. Very Extended telephone conference with Mack.  |
| 9/15/11  | WJL | 1.60 | Determine distribution to unsecured creditors. Conference with Trustee re: Form 1 and 2. Extended telephone conference with Keith Mack.                   |
| 9/19/11  | WJL | 1.40 | Email from Keith Mack. Prepare order on Objection to Mack claims. Proof and revise same. Email Keith Mack. Extended telephone conference with Keith Mack. |

| <u>Attorney</u>        | <u>Hours</u> | <u>Rate</u> | <u>Amount</u> |
|------------------------|--------------|-------------|---------------|
| Kimberly R. Lentz      | 24.50        | \$250.00    | \$6,125.00    |
| William J. Little, Jr. | 10.80        | \$250.00    | \$2,700.00    |
| Total Fees             |              |             | \$8,825.00    |

**Expenses**

Copies 426 @ \$0.25 = \$106.50  
Postage \$173.27

|                |           |
|----------------|-----------|
| Total Expenses | \$ 279.77 |
|----------------|-----------|

|                         |                          |
|-------------------------|--------------------------|
| <b><u>TOTAL DUE</u></b> | <b><u>\$9,104.77</u></b> |
|-------------------------|--------------------------|

# FORM 2 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Page: 1

Case No: 08-03423  
Case Name: WAREHOUSE LLC 86  
Taxpayer ID No: XX-XXX9964  
For Period Ending: 9/27/2011

Trustee Name: KIMBERLY R. LENTZ  
Bank Name: BANK OF AMERICA, N.A.  
Account Number/CD#: XXXXXX1607 - Money Market Account  
Blanket Bond (per case limit): \$35,249,760.00  
Separate Bond (if applicable):

| 1                | 2                  | 3   | 4                                  | 5                  | 6             | 7                  |                         |
|------------------|--------------------|---|------------------------------------|--------------------|---------------|--------------------|-------------------------|
| Transaction Date | Check or Reference | Paid To / Received From   | Description Of Transaction         | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account/CD Balance (\$) |
| 11/18/2010       | 22                 | BANK OF AMERICA, N.A.   | FUNDS IN DIP ACCOUNT               | 1229-000           | 32,806.85     |                    | 32,806.85               |
| 11/18/2010       |                    | Transfer to Acct#XXXXXX1623   | Transfer of Funds                  | 9999-000           |               | 10,000.00          | 22,806.85               |
| 11/30/2010       | INT                | BANK OF AMERICA, N.A.   | Interest Rate 0.030                | 1270-000           | 0.41          |                    | 22,807.26               |
| 12/20/2010       | 17                 | U.S. Treasury   | Proceeds from insurance settlement | 1129-000           | 711,268.63    |                    | 734,075.89              |
| 12/28/2010       |                    | Transfer to Acct#XXXXXX1623   | Transfer of Funds                  | 9999-000           |               | 105,562.08         | 628,513.81              |
| 12/31/2010       | INT                | BANK OF AMERICA, N.A.   | Interest Rate 0.070                | 1270-000           | 12.27         |                    | 628,526.08              |
| 1/31/2011        | INT                | BANK OF AMERICA, N.A.   | Interest Rate 0.070                | 1270-000           | 37.37         |                    | 628,563.45              |
| 4/5/2011         |                    | Transfer to Acct#XXXXXX1623   | Transfer of Funds                  | 9999-000           |               | 502.85             | 628,060.60              |
| 5/23/2011        | 23                 | HADDOX REID BURKES & CALHOUN<br>POST OFFICE DRAWER 22507<br>JACKSON, MS 39225 | UNEARNED ACCOUNTANT FEES           | 1229-000           | 10,296.25     |                    | 638,356.85              |
| 7/20/2011        |                    | Transfer to Acct#XXXXXX1623   | Transfer of Funds                  | 9999-000           |               | 2,782.00           | 635,574.85              |

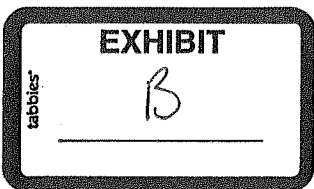
COLUMN TOTALS

|                           |            |            |
|---------------------------|------------|------------|
| 754,421.78                | 118,846.93 | 635,574.85 |
| Less: Bank Transfers/CD's | 0.00       | 118,846.93 |
| Subtotal                  | 754,421.78 | 0.00       |
| Less: Payments to Debtors | 0.00       | 0.00       |
| Net                       | 754,421.78 | 0.00       |

Page Subtotals

754,421.78

118,846.93





# **FORM 2** **ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 08-03423  
Case Name: WAREHOUSE LLC 86  
Taxpayer ID No: XX-XXX9964  
For Period Ending: 9/27/2011

Trustee Name: KIMBERLY R. LENTZ  
Bank Name: BANK OF AMERICA, N.A.  
Account Number/CD#: XXXXXX1623 - Checking Account  
Blanket Bond (per case limit): \$35,249,760.00  
Separate Bond (if applicable):

| 1                | 2                  | 3   | 4                             | 5                  | 6             | 7                  |                         |
|------------------|--------------------|---|-------------------------------|--------------------|---------------|--------------------|-------------------------|
| Transaction Date | Check or Reference | Paid To / Received From   | Description Of Transaction    | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account/CD Balance (\$) |
| 11/18/2010       |                    | Transfer from Acct#XXXXXX1607   | Transfer of Funds             | 9999-000           | 10,000.00     |                    | 10,000.00               |
| 11/18/2010       | 001001             | ERIC EILERSTEN<br>1878 LAUREL LANE<br>GERMANTOWN, TN 38139  | INSURANCE PROCEEDS FOR OTHERS | 8500-002           |               | 10,000.00          | 0.00                    |
| 12/28/2010       |                    | Transfer from Acct#XXXXXX1607   | Transfer of Funds             | 9999-000           | 105,562.08    |                    | 105,562.08              |
| 12/28/2010       | 001002             | Rosenblatt, Stephen W.<br>Butler, Snow, O'Mara, Stevens, & Cannada,<br>PLLC<br>210 East Capitol Street<br>17th Floor<br>Jackson, MS 39201 | Attorney's Fees and Expenses  |                    |               | 105,562.08         | 0.00                    |
|                  |                    |   | Attorney fees                 | 3701-000           |               |                    |                         |
|                  |                    |   | Attorney Expenses             | 3702-000           |               |                    |                         |
| 4/5/2011         |                    | Transfer from Acct#XXXXXX1607   | Transfer of Funds             | 9999-000           | 502.85        |                    | 502.85                  |
| 4/5/2011         | 001003             | KIMBERLY R. LENTZ<br>2012 23RD AVENUE<br>GULFPORT MS 39502  | REIMBURSEMENT OF BOND PREMIUM | 2300-000           |               | 502.85             | 0.00                    |
| 7/20/2011        |                    | Transfer from Acct#XXXXXX1607   | Transfer of Funds             | 9999-000           | 2,782.00      |                    | 2,782.00                |
| 7/20/2011        | 001004             | STEPHEN SMITH & COMPANY, PC<br>5 OLD RIVER PLACE STE 107<br>JACKSON, MS 39202   | ACCOUNTANT FEES AND EXPENSES  |                    |               | 2,782.00           | 0.00                    |
|                  |                    |   | ACCOUNTANT FEES               | 3410-000           |               |                    |                         |
|                  |                    |   | ACCOUNTANT EXPENSES           | 3420-000           |               |                    |                         |

|                           |            |            |            |  |  |  |  |
|---------------------------|------------|------------|------------|--|--|--|--|
| COLUMN TOTALS             |            |            |            |  |  |  |  |
| Less: Bank Transfers/CD's | 118,846.93 | 118,846.93 | 0.00       |  |  |  |  |
| Subtotal                  | 0.00       | 118,846.93 | 0.00       |  |  |  |  |
| Less: Payments to Debtors | 0.00       |            | 0.00       |  |  |  |  |
| Net                       | 0.00       | 118,846.93 | 118,846.93 |  |  |  |  |
| Page Subtotals            | 118,846.93 |            | 118,846.93 |  |  |  |  |

FORM 2  
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 08-03423  
Case Name: WAREHOUSE LLC 86  
Taxpayer ID No: XX-XXX9964  
For Period Ending: 9/27/2011

Trustee Name: KIMBERLY R. LENTZ  
Bank Name: BANK OF AMERICA, N.A.  
Account Number/CD#: XXXXXX1623 - Checking Account  
Blanket Bond (per case limit): \$35,249,760.00  
Separate Bond (if applicable):

| 1                | 2                  | 3                       | 4                          |                    | 5             | 6                  | 7                       |
|------------------|--------------------|-------------------------|----------------------------|--------------------|---------------|--------------------|-------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account/CD Balance (\$) |

|                                   |  |  |  |                       |                              |                                |                     |
|-----------------------------------|--|--|--|-----------------------|------------------------------|--------------------------------|---------------------|
| Money Market Account - XXXXXX1607 |  |  |  | TOTAL OF ALL ACCOUNTS |                              |                                |                     |
| Checking Account - XXXXXX1623     |  |  |  |                       | NET DEPOSITS                 | NET DISBURSEMENTS              | ACCOUNT BALANCE     |
| Total Allocation Receipts:        |  |  |  | 0.00                  | 754,421.78                   | 0.00                           | 635,574.85          |
| Total Net Deposits:               |  |  |  | 754,421.78            | 754,421.78                   | 0.00                           | 635,574.85          |
| Total Gross Receipts:             |  |  |  | 754,421.78            | 0.00                         | 118,846.93                     | 0.00                |
|                                   |  |  |  |                       | =====                        | =====                          | =====               |
|                                   |  |  |  |                       | 754,421.78                   | 118,846.93                     | 635,574.85          |
|                                   |  |  |  |                       | =====                        | =====                          | =====               |
|                                   |  |  |  |                       | (Excludes account transfers) | (Excludes payments to debtors) | Total Funds on Hand |

Page Subtotals

0.00 0.00

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
SOUTHERN DIVISION

IN RE: WAREHOUSE 86, LLC  
DEBTOR

CASE NO. 08-03423 ee  
CHAPTER 7

**TRUSTEE'S CERTIFICATION**

I hereby certify that I have received and reviewed the above and foregoing First and Final Application for Compensation for Attorney for the Trustee and that I approve the Application.

DATE: September 27, 2011

  
KIMBERLY R. LENTZ, TRUSTEE

**EXHIBIT C**